

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2002-284-E - ORDER NO. 2002-774

NOVEMBER 4, 2002

IN RE:	Application of South Carolina Electric & Gas)	ORDER GRANTING
	Company for a Certificate of Environmental)	CERTIFICATE
	Compatibility and Public Convenience and)	
	Necessity for the Construction and Operation)	
	of Two 230kV Transmission Lines from its)	
	Jasper Generating Project 230kV Switching)	
	Station near Hardeeville, SC to its Yemassee)	
	Transmission Substation near Yemassee, SC.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of South Carolina Electric & Gas Company (SCE&G or the Company) for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the construction and operation of two 230 kV transmission lines from SCE&G's Jasper Generating Project 230 kV switching station near Hardeeville, South Carolina to its Yemassee transmission substation near Yemassee, South Carolina.

Pursuant to the instructions of the Commission's Executive Director, the Company published a Notice of Filing and Hearing one time in newspapers of general circulation. The Company furnished affidavits to show that it complied with the instructions of the Executive Director. Other persons and entities were notified of the Application, as per the directives of S.C. Code Ann. Section 58-33-120 (1976). A Petition to Intervene was filed by the Consumer Advocate for the State of South Carolina (the Consumer Advocate).

Accordingly, a hearing was held on October 23, 2002 at 10:30 AM in the offices of the Commission. The Honorable Mignon Clyburn, Chairman, presided. The Applicant South Carolina Electric & Gas Company was represented by Francis P. Mood, Esquire and B. Craig Collins, Esquire. SCE&G presented the testimony of Hubert C. Young, III. The Intervenor Consumer Advocate was represented by Charles M. Knight, Esquire. The Commission Staff was represented by F. David Butler, General Counsel. Neither the Consumer Advocate, nor the Commission Staff presented witnesses in the matter.

Hubert C. Young, III testified on behalf of the Company as to the need and necessity for the construction of two new 230 kV transmission lines originating at the SCE&G Jasper County Generation Project, near Hardeeville, South Carolina and connecting to the existing SCE&G transmission system at SCE&G's Yemassee Substation, near Yemassee, South Carolina. Young noted that each of these two new 230 kV transmission lines will be approximately 37.7 miles in length and constructed using high capacity bundle conductor. Both lines will be built on existing SCE&G right-of-way except for a minor addition near the Yemassee Substation. The two transmission lines are known as the Jasper-Yemassee #1 and #2 230 kV Transmission Lines. Jasper-Yemassee #1 will replace an existing and old 46 kV transmission line, and Jasper-Yemassee #2 will be a double circuit line replacing an existing and old 115 kV transmission line.

Young stated that SCE&G subscribes to the Planning Standards and Guides established by the North American Electric Reliability Council (NERC), the Southeastern Electric Reliability Council (SERC), and the Company's Long Term Planning Criteria. Young noted that there are two reasons that these transmission facilities are needed:

system reliability and to interconnect the Jasper County Generation Project to the existing SCE&G transmission system. For system reliability, these lines are needed to reduce projected high loading and overloading on 115 kV transmission lines in the Yemassee/Hardeeville area. A joint study concluded that even without the impact of the generation of the new Jasper plant, beginning in 2004, high loading and, in some cases, overloading conditions will occur on the SCE&G lower capacity/lower voltage (115 kV) transmission facilities in the area. The addition of the proposed new transmission facilities, in conjunction with new transmission interties between SCE&G and Santee Cooper in the area, reduce the power flowing on these highly loaded and overloaded 115 kV existing transmission facilities by providing an additional high capacity/high voltage (230 kV) path between the Southern Company and SCE&G. These proposed new transmission facilities bypass the highly loaded lower capacity/lower voltage (115 kV) facilities and solve the loading problem, according to Young.

Further, Young notes that these lines are needed to transmit the power generated at the Jasper County Generation Project to the existing SCE&G transmission system. SCE&G Transmission Planning conducted three Generation Interconnection Impact Studies. Each analyzed different generator sizes and designs at Jasper County, as requested by the SCE&G generation group. The studies were submitted as part of the Application in this case. Young states that the proposed new transmission facilities will interconnect the Jasper County Generation Project to the existing grid, while maintaining system reliability. The results of the reliability study in conjunction with the results of the interconnection impact studies indicate that one of the proposed new transmission lines is

required for reliability and the other proposed new transmission line is required to interconnect the Jasper County Generation Project.

Young states that SCE&G Transmission Planning considered several alternatives to reduce the projected high loading and overloading conditions in this area and found that all other alternatives considered provided only partial relief in the area or were more costly than the proposed transmission facilities. Several alternatives were also considered to transmit the power from the Jasper County generation to the existing system. All were based on different Jasper County Generation Plant power output levels. A comparison of the alternatives showed, according to Young that the proposed facilities are the best alternative for reducing the projected power flow on the highly loaded transmission facilities in this area and, at the same time, interconnecting the Jasper County Generation Project to the existing transmission system.

Duke Engineering and Services, Inc. of Charlotte conducted a study concerning the environmental and archaeological effects of the two proposed transmission lines. The study was completed in July 2002. Young noted that the study concluded that the proposed transmission lines will have no long term effects on the environment. Young stated that because the lines will be built almost entirely on existing SCE&G right-of-way, effects to environmental resources, cultural resources, land use, and aesthetics will be minimal.

The total cost of construction for the two lines, including the associated cost of establishing new transmission interties with the South Carolina Public Service Authority (Santee Cooper) in the area is approximately \$59,000,000, although the Company is not

seeking rate treatment for this amount in this Docket. Line #1 is scheduled to be in-service by September 2003 and will be available for testing the Jasper County generating units. Line #2 is scheduled for in-service by early 2004, and will be available for full power testing of the Jasper County Generation Project.

We have examined the facts in this case pursuant to the provisions of S.C. Code Ann. Section 58-33-160 (1976), which states factors that we must find and determine in order to decide whether to grant a Certificate of Environmental Compatibility and Public Convenience and Necessity with respect to the construction of particular facilities, such as the lines in the present case. Because of the reasoning stated below, we grant the Certificate.

The six factors stated by S.C. Code Ann. Section 58-33-160 (1976) are as follows:

- (a) The basis of the need for the facility;
- (b) The nature of the probable environmental impact;
- (c) That the impact of the facility upon the environment is justified, considering the state of available technology and the nature and economics of the various alternatives and other pertinent considerations;
- (d) That the facilities will serve the interests of system economy and reliability;
- (e) That there is reasonable assurance that the proposed facility will conform to applicable State and local laws and regulations issued thereunder....
- (f) That public convenience and necessity require the construction of the facility.

We will now examine each criterion individually. With regard to the basis of the need for the facility, we believe that the need is well-documented by the testimony of the Company's witness. First, there is no question but that the lines are needed to transmit the power generated at the Jasper County Generation Project to the existing SCE&G transmission system. Second, the testimony of Company witness Young also shows that the lines help solve loading problems in the area by bypassing the existing highly loaded lower capacity/lower voltage facilities. Thus, the "need" criteria is met.

Second, Young's testimony and the study filed indicate that the two transmission lines will have no significant long-term effects on the environment, the reasoning being that the lines will be built almost entirely on existing SCE&G right-of-way. The second statutory criterion is therefore satisfied.

Third, although the impact on the environment is justified as stated above, Young's testimony outlined the various alternatives considered by the Company before settling on the proposal presented to this Commission, including the economic and technological aspects. SCE&G Transmission Planning considered several alternatives in the area. The alternative utilizing mostly SCE&G's existing right-of-way proved to be the superior alternative. Not coincidentally, it also was shown to have no significant long-term effects on the environment. Accordingly, it is clear that the impact of the facility upon the environment is justified, considering the state of available technology and the nature and economics of the various alternatives and other pertinent considerations.

Fourth, it is clear to this Commission that the two lines will serve the interests of system economy and reliability. As witness Young stated, one of the proposed new

transmission lines is required for reliability and the other one to interconnect the Jasper County Generation Project. The project will reduce the projected power flow on the highly loaded transmission facilities in the area, thus improving system reliability. It also appears that the project will contribute to system economy. Thus the fourth statutory criteria is met.

Fifth, there is reasonable assurance that the proposed facility will conform to applicable State and local laws and regulations issued thereunder. We have examined the situation in the case at bar, and we do not find any potential for violation of State and local laws, including regulations issued thereunder. The Company's proposal appears to conform to all such laws.


Sixth, considering all of the testimony and the record as a whole, it is clear to this Commission that public convenience and necessity require the construction of the lines proposed in the Company's Application. Clearly, one of the lines is needed for reliability purposes, and one is needed to connect the already-approved Jasper County Generation Project to the existing SCE&G transmission system. The one line also will reduce projected high loading and overloading on 115 kV transmission lines in the Yemassee/Hardeeville area. Clearly, for these reasons alone, the public convenience and necessity require the construction of the lines.

Since the proposal meets all six criteria of S.C. Code Ann. 58-33-160 (1976), we grant a Certificate of Environmental Compatibility and Public Convenience and Necessity to SCE&G for the construction of the proposed transmission lines. It is clear to us that the lines are needed, and that the Company has carefully analyzed all of the

alternatives to come up with the best solution available under the circumstances. We believe that the evidence before us mandates this result.

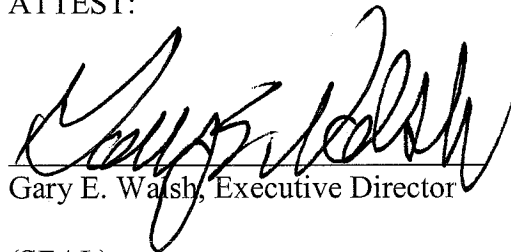
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Mignon L. Clyburn, Chairman

ATTEST:



Gary E. Walsh, Executive Director

(SEAL)